

**THE MINUTES OF THE
WARRANT COMMITTEE MEETING
APRIL 7, 2004**

Handout(s) given out tonight:

1. Capital Budget Committee recommendations
2. YTD Comparative Operating Statement February 04 vs. February 03

Members absent: NONE

Also present: Selectman Will Brownsberger, Selectman Paul Solomon, Town Administrator Mel Kleckner, and Town Accountant Barbara Hagg

Chairman Widmer called the meeting to order at 7:42 p.m. He congratulated Selectman Anne Marie Mahoney on becoming Board of Selectmen Chairperson.

Acceptance of Minutes

The Committee discussed and the minutes of the March 31, 2004 meeting.

- *Member McCormick made a motion, Member Flewelling seconded said motion, and the Committee unanimously voted to accept the minutes as amended of the March 31, 2004 meeting.*

Warrant Articles

Town Administrator Kleckner reviewed the Fourth Draft (3/31/04) Annual Town Meeting Warrant with the Committee.

Article 5 – Members Oates and Heigham will investigate some figures regarding this Article and report back to the Warrant Committee.

Article 9 – The Warrant Committee will review this Article further with HR Director Jenkins at next week’s meeting.

Article 12 – This is a housekeeping article, but there is no action this year.

Article 13 – There is a separate vote required regarding the “Enterprise Fund” for the Water and Sewer departments. It was previously in Article 3, but now requires a separate article.

Article 14 – Town Accountant Hagg said this is only a \$7,600 housekeeping item. It is part of a 20-year bond, but the premium of \$145K is spread out over the 20 years.

Article 15 – This is a stand-alone article for the fire stations to be moved to the Special Town Meeting on Wednesday, April 28th. The Warrant Committee will vote again on this Article prior to Town Meeting.

Article 16 – This Article is for the Claflin Street Parking Lot. The method of funding or financing still needs to be resolved. Both the Board of Selectmen and Warrant Committee will discuss it further next week. Member Schafer requested the Lot improvement graphic be put on the website.

Article 17 – This is a general article authorizing the Town to create revolving funds. The Warrant Committee will be discussing this Article next week.

Articles 18 & 19 – These Articles authorize the Board of Selectmen to dispose of the Waverley Fire Station. The zoning of the land use has not been resolved. The Board of Selectmen is still prepared to seek authorization and then go back to Town Meeting regarding the zoning. The Board of Selectmen will be discussing this at their Monday (4/12) meeting. Member Schafer asked Member McCormick if the Library is requesting anything regarding the Waverley building disposition.

Articles 20 & 21 – The Board of Selectmen have discussed either selling the property outright or get the authorization to change the zoning. Member Schafer asked the Board of Selectmen if they have a designation of the revenue if the land is sold. Selectman Mahoney said the proceeds of the sale have not been discussed.

Article 23 – This will eliminate the requirement that Town Counsel be a resident of the Town.

Article 24 – This is a bylaw amendment making the Personnel Policy Board an advisory board.

Article 25 – This is also a bylaw amendment. This has been an initiative of the Fire Department and Joint Public Safety Communications, clarifying it and expanding its application to fire/burglar alarms.

Article 26 – 33 – These are zoning articles, which the Warrant Committee does not need to take a position on.

Article 34 – The Senior Center Furnishing Fund is being officially established.

Article 35 – There is a law requiring Town retirees or dependents that if they are eligible for Medicare, are required to sign on.

Article 36 – This is regarding Pension Obligation Bonds that will be discussed later this evening.

Article 37 – This is a housekeeping article.

Article 39 – This establishes a moratorium on teardowns and rebuilds, which is a zoning issue.

This Annual Town Meeting begins on April 26. It is expected to be completed in three nights. Some articles may be postponed for a while. There is a new article in the Special Town Meeting warrant to establish a special building committee on the energy audit building improvements. There are also two separate articles regarding funding relating to potential energy improvements in the Annual Town Meeting. The funding would be a FY05 issue. The Special Town Meeting includes: fire stations, special building committee on energy audit building improvements, and special sources of money for the oil release issue.

Capital Budget Committee Recommendations

Member Brusch reviewed the Capital Budget Committee's recommendations and reasoning regarding their decisions (*Handout 1*).

The Pavement Management (General Fund) includes the Marsh Street drainage solution. The Committee would like further information regarding the Marsh Street amount broken out from the total. Chairman Widmer would like to know why we are singling out this piece of property. He would like to hear from Capital Budget Committee Chair Mike Speidel and/or DPW Director Castanino on April 21st. Member Brush mentioned the amount came out of the Capital Budget and was added to Pavement Management. The Committee discussed making it a separate line item or possibly a Stormwater Budget issue. Member Fitzgerald added that since it was a pavement design problem, it should be in the Pavement Management budget.

The Library (whether outside maintenance comes under the Town's Building Services budget or the Library's budget) is one issue the Town Administrator and Warrant Committee Subcommittee will be reviewing this summer.

Chairman Widmer said we would vote the Capital Budget when we vote the budget as a whole.

Reserve Fund Transfer Request - \$35,000 Buildings (previously distributed)

Member Curtis spoke with Building Services Director Kevin Looney regarding this transfer request. Mr. Looney specified his needs of \$8,871 for the shortfall in Building Services (a lot of it due to the Town boiler). Mr. Looney also issued a revised memo requesting \$14,335 in heating fuel. Also, the Water budget is in need of \$5,181 to finish the year. These items total \$28,387.

- *Member Flewelling made a motion, Member Hofmann seconded said motion, and the Warrant Committee voted to approve \$16,000 from the Warrant Committee Reserve Fund to the Building Services budget.*
- *Member Fitzgerald abstained from said motion.*

The rest of the money will be earmarked by the Warrant Committee if it is still needed closer to year end.

Pension Obligation Bonds

Treasurer Freiner could not be at tonight's meeting, but the Retirement Board Chair Roy Sacco appeared to discuss this issue as needed.

Member Flewelling thinks the concept has some merit, but he feels the AAA bond rating is at risk and the debt ratio is going to come into play at some point. His concern is that there is much more to lose than there is to gain.

Member Curtis agrees it is a gamble, but his concern is with the rate of return. Selectman Brownsberger agrees with that risk. Vice Chairman White added there is a potential here that we need to explore in more detail. He would like more information to understand and quantify the risk. Mr. Sacco said the Retirement Board is in the process of having our actuarial study done. When we get those figures, we can determine the liability. He is nervous of what is going on with the State. It looks like the old "Super Board" is trying to come back. In the 1970's, the State wanted to take over all the funds. If that happens, Belmont's fund will be taken by the State. Our obligation will still be there with the bonds, and if we have a bad year (as in the past three years), we are going to have to make up the difference. We are a conservative Board in our investments. Our money managers and consultant do a great job, but there is a lot of risk involved.

Member Flewelling asked Mr. Sacco if this is something fairly new in the industry. He responded it has occurred within the last few years.

Town Accountant Hagg said the current unfunded liability is shown as a liability on the Town's balance Sheet now. The risk, as being a member of the Retirement Board, is a lot.

Member Hofmann thinks there are too many pros and cons on this issue. Filing the legislation now makes sense, since it is just leaving the door open for any future decisions.

Member Hobbs said the Retirement Board really has only a downside risk, that they would not be able to cover the bonds. The Town has the upside potential benefit of the returns. The Retirement Board receives funding either way by the Town. Mr. Sacco said the more money we make as the Retirement Board, the less the Town

would have to fund. If things went well the last three years, we would have been funded through 2015, but it has since been extended.

Chairman Widmer asked Vice Chairman White for a process and approach on how to attack this and whether we should proceed on the legislation. Vice Chairman White responded that the legislation has no downside; it just keeps the door open. He thinks we should ask Treasurer Freiner to have a smaller group to investigate this further. Vice Chairman White, and Members McCormick and Hofmann volunteered to look into it with Treasurer Freiner.

The Committee discussed the pros and cons regarding supporting the legislation. Town Administrator Kleckner said this is a boilerplate wording for the Article.

Member Flewelling said Belmont has always been a Town that has been very careful. He is not sure that this is something that will raise the level of Belmont's prominence. He thinks we may be better off making a rational decision when we have more information. Chairman Widmer does not think other communities are putting legislation forward as just a "stocking horse." He thinks that other communities have done the due diligence.

Member Heigham said if this were a matter of getting the State Representative to file the legislation, he would be in favor of it. He does not like the idea of bringing it to Town Meeting at this time. Selectman Brownsberger concurs. It is healthy to go further with information but not legislation at this time.

The Board of Selectmen are unanimously opposed to supporting the legislation at this time.

- *Member Heigham made a motion, Member McCormick seconded said motions, and Chairman Widmer, Selectman Mahoney, and Members Callanan, Schafer, Fitzgerald, Oates, Flewelling, Curtis, Bruschi, and Vice Chairman White voted to **not recommend** Draft Article 36 to Town Meeting without prejudice to its renewal at a future time.*

- *Members Hofmann, Tillotson Kobus Hobbs, and Miller voted to **recommend** Draft Article 36 to Town Meeting.*

Other

Member Flewelling made a motion, and it was voted unanimously to adjourn the meeting at 9:26 PM.

Respectfully submitted,

Kristina E. Frizzell

Recording Clerk